

January 16, 2018

VIA EMAIL ONLY

Thomas P. Gressette, Jr., Esquire
G. Trenholm Walker, Esquire
Walker Gressette Freeman & Linton, LLC

RE: Daufuskie Island Utility Company, Inc. – Refund Calculation

Dear Mr. Gressette and Mr. Walker,

This letter describes the methodology used to calculate refunds applicable to DIUC's quarterly billings of its customers from July 1, 2016 through December 31, 2017. While I have addressed it to your office, I would ask that you make this information available to the Commission and to the parties involved in our pending rate proceeding.

The rates under DIUC's original application for a 108.9% rate increase were billed subject to refund for the billings sent to the customers beginning on or about July 1, 2016 and for subsequent quarters up to and including October 1, 2017 ("2016 Rates"). The S. C. Public Service Commission's ("PSC") Order dated December 20, 2017, permits DIUC an 89% revenue increase, which DIUC began billing on or about January 1, 2018 (January 1, 2018 Rates"). This billing includes refunds that are now due customers based on the differences between the 2016 Rates and the January 1, 2018 Rates. APPENDIX A contains a comparison of the rate structure under the January 1, 2018 Rates and the 2016 Rates as well as the Pre-Interest Refund Percentage Difference between the two rate structures. The Pre-Interest Refund Percentage Difference correlates with the dollar amount difference between the January 1, 2018 Rates and the 2016 Rates. Note that no refunds are necessary for the last quarter of 2017 because the January 1, 2018 Rates have been applied to that quarter.

A Schedule showing calculation of the Water and Sewer Availability Rate Refunds is available on DIUC's website, www.daufuskieislandutility.com. A similar schedule is also included here as APPENDIX B ("Availability Billing of Amounts Reflecting Credit Refunds Under Newly Approved Rates"). The Schedule shows the differences between the 2016 Rates and the January 1, 2018 Rates, according to the number of quarters billed. The refunds are calculated by taking the difference between the rates paid under the 2016 Rates and the January 1, 2018 Rates, multiplying the difference by the number of quarters billed in order to determine the pre-interest refund (shown as "Sum of Quarterly Difference"), and then adding interest at the percentages for the respective number of quarters billed. The pre-interest refund plus the interest amount equals the total refund (shown as "Total Refund (Credit)"). The specific charges and refunds in APPENDIX B could be provided for availability customers because availability charges are the same for each customer each quarter.

Calculating the refunds due metered customers is slightly more complex because the usage rates have varying percentage differences between the 2016 Rates and the January 1, 2018 Rates and the usage charges for each account vary according to each quarters' usage by that customer. Using the actual

billings for each customer, the percentage difference between the 2016 Base Service Charge implemented in July 2016 and the January 1, 2018 Base Service Charge rates was applied to the amount each customer paid for 2016 Base Service Charge billings. That difference is the pre-interest refund due to the customer. Similarly, for each customer the percentage difference between the 2016 Usage Rates and the January 1, 2018 Usage Rates was applied to the amount of each customer's total payments for Usage Rates in order to determine the pre-interest refund due to the customer for Usage charges for all quarters billed, and then adding interest for the respective number of quarters billed. The sum of the pre-interest refunds for the Base Service Charges and Usage Rate charges plus the interest equals the total refund.

APPENDIX C contains the calculation of the interest that was added to the pre-interest refunds, taking into account that interest for customers billed for 6 quarters from July 1, 2016 through December 31, 2017 would be higher than a customer who began taking service, for example, in the third quarter of 2017 and was therefore billed for the first time in the October 1, 2017 billing. APPENDIX C shows the specific interest calculations for customers who paid for service in 6, 5, 4, 3, 2, and 1 quarters.

Mr. Beach has asked DIUC to use a specific customer's bill to show how these calculations were made on the two accounts for that customer. APPENDIX D provides a working (live spreadsheet) copy of the specific calculation of the refund for that customer. As noted, that customer was billed for 6 quarters and the bill is calculated using the percentage refunds (credits) from APPENDIX A and the interest percentages from APPENDIX C. The calculation of the refund reflects the precise methodology described above.

We were able to work with the programmers so that our computerized billing system is able to show the total refund that reduces the current bill amount; however, the billing system just cannot show the detailed calculation of rates and interest for a customer in the way it is shown in APPENDIX D. In this instance, as with all DIUC's regularly issued bills, DIUC customers are encouraged to contact the billing office with any specific inquiries about how the rates were applied to their usage.

Because of the December 31, 2017, expiration of the bonds related to DIUC's billing of the 2016 Rates, the Commission scheduled rehearing to allow a decision before the end of 2017. With a 2017 decision DIUC would be able to proceed with a January 2018 billing (including any refunds necessary after the rehearing decision) and avoid the financial impact of a delayed billing. On December 20, 2017, the Commission entered its decision stating that the rates and revenues granted in the Order "should be shared with the other parties in the case, who should verify that said rates are consistent with the provisions of this Order." DIUC calculated the rates and revenue allowed by the Commission's decision and on December 22, 2017, DIUC provided all the parties its proposed Schedule of Rates and related revenue calculation.

A copy of DIUC's letter and the enclosed Schedules provided to all the lawyers on December 22, 2017, is attached as APPENDIX E. Schedule A-5 shows the differences between the July 2016 Rates and the January 1, 2018 Rates. Page 1 shows the Base Charge and Usage Charge then in effect. Page 2 shows the Base Charge and Usage Charge to be effective in the January 2018 billing. I do not expect the customers to be familiar with complex rate calculations, but I would like to be sure the customers know we provided this information to the POAs' lawyers in ample time before the January 2018 billing.

The final matter I am compelled to address is a correspondence dated January 8, 2018, from Mr. Doug Egly to DIUC's customers, attached as APPENDIX F. In it Mr. Egly's makes totally false accusations that DIUC did not comply with the PSC's regulations and invoiced the customers without a formal order and approved rates. Mr. Egly then states, "This being the case, the attorneys representing the three POAs involved, have asked us to **instruct members NOT to pay their water bills** until DIUC's unlawful action have been addressed." (emphasis in original) DIUC is regulated by the PSC and the SC Office of Regulatory Staff, not the attorneys acting on behalf of the POAs. DIUC was required by the PSC's December 20, 2017 Order to submit rates for the January 1, 2018 billing and, as previously stated, share that submission with the other parties, giving them an opportunity to verify that those rates were consistent with that Order. DIUC submitted rates in compliance with that Order on December 22, 2017 providing ample time for a response by the other parties. There was no response filed with the PSC before January 1, 2018, except by ORS in an email on December 27, 2017 which indicated that if it would find discrepancies after reviewing the PSC's second "full" Order, it would report them to the PSC. Since its December 20, 2017 Order to date, the PSC has not issued any directive to DIUC to delay proceeding with the January 1, 2018 billing, and has made no finding that DIUC has not been in compliance with any regulation of law.

DIUC operates relying upon a predictable cash flow anticipated based upon the historical averages of when customers pay their bills. Those averages are so important they are included in the Commission's calculation of allowed rates. The accusations in Mr. Egly's correspondence are without merit and misleading, and his instruction to customers has adversely impacted DIUC's cash flow. As the POA customers fail to pay their bills and/or delay payment, this could jeopardize DIUC's financing options as well as DIUC's ability to fund system repairs and replacements, and could create a serious risk to DIUC's ability to provide service.

In closing I would like to reaffirm DIUC's commitment to providing reliable and efficient service to its customers on Daufuskie Island. I hope that the time and effort we have put into providing these materials has resulted in a thorough explanation of how DIUC applied the Commission's December 20, 2017 decision.

Sincerely,

GUASTELLA ASSOCIATES, LLC
Manager of DIUC



John F. Guastella, President

Enclosures: APPENDICES A - F

APPENDIX A**Daufuskie Island Utility Company, Inc.
Comparative Tariff Rates**

		Billed Rates		Pre-Interest Refund Percentage Difference
		2016 Rates	2018 Rates	
WATER				
<u>Residential</u>				
General:				
	Base Quarterly Charge	\$149.30	\$140.09	6.1688%
	Consumption Charge (per 1,000 gallons)	\$4.41	\$4.01	9.0703%
Irrigation:				
	Consumption Charge (per 1,000 gallons)			
	0-18,000 gallons per quarter	\$4.85	\$4.41	9.0722% *
	18,001-60,000 gallons	\$5.73	\$5.21	9.0750% *
	Over 60,000 gallons	\$6.61	\$6.02	8.9259% *
<u>Commercial</u>				
General:				
	Base Quarterly Charge	\$209.01	\$196.12	6.1672%
	Consumption Charge (per 1,000 gallons)	\$4.41	\$4.01	9.0703%
Irrigation:				
	Consumption Charge (per 1,000 gallons)			
	0-18,000 gallons per quarter	\$4.85	\$4.41	9.0722% *
	18,001-60,000 gallons	\$5.73	\$5.21	9.0750% *
	Over 60,000 gallons	\$6.61	\$6.02	8.9259% *
<u>Availability</u>				
	Quarterly Charge	\$107.49	\$100.86	6.1680%
SEWER				
<u>Residential</u>				
General:				
	Base Quarterly Charge	\$218.18	\$201.65	7.5763%
	Consumption Charge (per 1,000 gallons)	\$2.38	\$2.14	10.0840%
<u>Commercial</u>				
General:				
	Base Quarterly Charge	\$305.45	\$282.31	7.5757%
	Consumption Charge (per 1,000 gallons)	\$2.38	\$2.14	10.0840%
<u>Availability</u>				
	Quarterly Charge	\$140.73	\$130.07	7.5748%

* Note: An average rate of 9.02% was used for all indicated rate blocks.

APPENDIX B

Availability Billing of Amounts Reflecting Credit Refunds Under Newly Approved Rates

		<u>Quarterly Availability Billing</u>		<u>Quarterly</u>	<u>Number of</u>	<u>Sum of</u>	<u>Interest</u>	<u>Amount</u>
		<u>2016 Rates</u>	<u>Jan.1, 2018 Rates</u>	<u>Difference</u>	<u>Quarters</u>	<u>Quarterly</u>	<u>Rate</u>	
<u>6 Quarters</u>								
	Water	107.49	100.86	6.63	6	39.78	13.4%	5.33
	Sewer	140.73	130.07	10.66	6	63.96	13.4%	8.55
<u>5 Quarters</u>								
	Water	107.49	100.86	6.63	5	33.15	12.3%	4.08
	Sewer	140.73	130.07	10.66	5	53.3	12.3%	6.50
<u>4 Quarters</u>								
	Water	107.49	100.86	6.63	4	26.52	12.0%	3.18
	Sewer	140.73	130.07	10.66	4	42.64	12.0%	5.12
<u>3 Quarters</u>								
	Water	107.49	100.86	6.63	3	19.89	9.0%	1.79
	Sewer	140.73	130.07	10.66	3	31.98	9.0%	2.80
<u>2 Quarters</u>								
	Water	107.49	100.86	6.63	2	13.26	6.0%	0.80
	Sewer	140.73	130.07	10.66	2	21.32	6.0%	1.22
<u>1 Quarter</u>								
	Water	107.49	100.86	6.63	1	6.63	3.0%	0.20
	Sewer	140.73	130.07	10.66	1	10.66	3.0%	0.33

- Notes:
- (1) Based on the number of quarters a customers has been billed since the July 1,2016 billing.
 - (2) The old rates reflect increases of 107.9% and 209.9% for water and sewer, respectively, or 108.9% combined.
 - (3) The new rates reflect increases of 87.9% and 90.1% for water and sewer, respectively, or 89.0%% combined.
 - (4) Assumes no unrelated adjustments.

APPENDIX C

Application of Daufuskie Island Utility Company, Inc. for Approval Rates and Charges
 South Carolina Public Service Commission Docket No. 2014-346-WS

Calculation of Interest Rates per Number of Quarters

Assumptions for a hypothetical billing:

1. A customer was billed \$200 per quarter under the original application rates beginning July 1, 2016
2. On January 1, 2018 the customer will be billed \$180 for the last quarter of 2017 and given a refund or credit of \$20 per quarter.
3. The customer made payment on each day of the day billed, except a for only customers billed for 6 and 5 quarters for which a 30 day lag was used, or and adjusted interest rate of 11%.

Total Number of Quarters	Billing Period		Pre-Interest Refund	Refund plus Interest	Interest		Total Refund
	Dates	No. of Quarters			Rate	Amount	
6	7/1/16 to 6/30/17	4	\$ 80		11%	\$ 8.80	
	7/1/17 to 12/31/17			\$ 88.80	6%	5.33	
	7/1/17 to 12/31/17	1	20		6%	1.20	
	10/1/17 to 12/31/17	1	20		3%	0.60	
			\$ 120		<u>13.3%</u> (1)	\$ 15.93	\$ 135.93
5	10/1/17 to 9/30/17		80		11%	8.80	
	10/1/17 to 12/31/17			\$ 88.80	3%	2.66	
	10/1/17 to 12/31/17		20		3%	0.60	
			\$ 100.00		<u>12.1%</u> (1)	\$ 12.06	\$ 112.06
4	1/1/17 to 12/31/17		\$ 80.00		<u>12%</u>	\$ 9.60	\$ 89.60
3	4/1/17 to 12/31/17		\$ 60.00		<u>9.0%</u>	\$ 5.40	\$ 65.40
2	7/1-17 to 12/31/17		\$ 40.00		<u>6.0%</u>	\$ 2.40	\$ 42.40
1	10/1/17 to 12/31/17		\$ 20.00		<u>3.0%</u>	\$ 0.60	\$ 20.60

Note: The percentages actually used for the refunds were 13.4% for customers billed for 6 quarters and 12.3% for 5 quarters.

APPENDIX D- Sample Bill Refund Calculation

last	acct_no	serv_id	rate	cc	billed 7.1.16	Billed 10.1	Billed 1.1	billed 4.1	billed 7.1	billed 10.1	Total	Qtrs	Base Charge	BC Refund	Billed Usage	New Billed Usage	Usage Refund	B
Name Deleted	D-202500	D0232	SD1	\$	219.68	\$ 218.37	\$ 218.18	\$ 218.18	\$ 220.58	\$ 218.49	\$ 1,313.48	6	\$ 1,309.08	\$ 99.23	\$ 4.40	\$ 3.96	\$ 0.44	\$
	D-202500	D032	SD1		230.20	230.15	228.91	229.98	227.53	231.89	1378.66	6	1309.08	99.23	69.58	62.56	7.02	\$
	D-202500	D0232	WD1		614.14	149.65	149.30	149.3	153.75	149.87	1366.01	6	895.80	67.90	470.21	422.79	47.42	\$
	D-202500	D032	WD1		171.57	171.48	169.19	171.17	166.63	174.70	1024.74	6	895.80	67.90	128.94	115.94	13.00	\$
	D-202500	D0232	WD3		138.64	69.21	57.08	12.08	4.75	81.38	363.14	6			363.14	326.52	36.62	\$
	D-202500	D032	WD3		34.34	113.26	76.68	56.79	42.24	19.89	343.20	6			343.20	308.59	34.61	\$

APPENDIX E

Docket No. 2014-346-WS

Schedule A-4

Daufuskie Island Utility Company, Inc. Water and Wastewater Systems Combined Operating Statement

	Company Pro Forma Proposed Rates	Revised ORS Pro Forma Proposed Rates	PSC Directive		Pro Forma Proposed Rates
			Pro Forma Present Rates	Adjustments	
Operating Revenue:					
Residential	\$710,786	\$514,330	\$312,153	\$313,657	\$625,810
Commercial	287,589	241,135	146,277	114,342	260,619
Irrigation	213,238	201,180	99,193	83,860	183,053
Availability Billing	992,880	933,626	485,761	415,328	901,089
Misc. Other Revenue	63,229	46,623	30,197	27,949	58,146
Interdepartmental Sales	0	0	0	0	0
Billing Adjustments	0	1,498	0	0	0
Total Revenues	2,267,722	1,938,392	1,073,581	955,136	2,028,718
Operating Expense:					
Wages	164,752	176,590	176,590	0	176,590
Benefits	10,686	6,200	6,200	0	6,200
Director's Fees	16,500	16,500	16,500	0	16,500
Sludge Disposal	0	0	0	0	0
Power	166,718	130,181	130,181	0	130,181
Chemicals	9,510	9,020	9,020	0	9,020
Supplies & Maintenance	28,543	27,116	27,116	0	27,116
Outside Services-Mgmt	171,364	132,211	171,365	0	171,365 A
Outside Services-Engineering	8,013	10,137	10,137	0	10,137
Outside Services-Accounting	2,762	2,761	2,761	0	2,761
Outside Services-Legal	23,178	23,178	23,178	0	23,178
Outside Services-Testing	92,289	92,288	92,288	0	92,288
Outside Services-Other	38,622	38,621	38,621	0	38,621
Other Operating Expenses	0	0	0	0	0
Transportation	2,756	2,450	2,450	0	2,450
Bad Debt	30,852	190,127	105,383	93,778	199,161 C
Insurance	48,322	38,913	38,913	0	38,913
Regulatory Commission Expense	15,636	15,636	15,636	0	15,636
Other A&G Expenses	36,436	36,438	36,438	0	36,438
Accepted ORS Adjustment	0	(46,033)	(46,033)	0	(46,033)
Total O&M Expense	866,939	902,335	856,744	93,778	950,523
Depreciation	95,266	82,560	82,560	0	82,560
Amortization of Rate Case Exp	206,076	54,477	90,794	0	90,794 B
Amortization of Deferred Property Tax		65,855	65,855	0	65,855
Revenue Taxes	14,320	16,592	9,196	8,181	17,377 C
Property Taxes	192,301	192,301	192,301	0	192,301
Payroll Taxes	13,732	13,212	13,212	0	13,212
State and Federal Income Taxes	260,495	174,109	0	176,371	176,371 C
Total Operating Expenses	1,649,129	1,501,441	1,310,664	278,331	1,588,994
Net Operating Income	\$618,593	\$436,951	(\$237,082)		\$439,723
Rate Base	\$7,085,475	\$5,867,632	\$5,894,128		\$5,894,128 C
Rate of Return	8.73%	7.45%	-4.02%		7.46%
Revenue Increase	108.9%	80.6%			89.0%
Interest Expense	\$180,680	\$142,783			\$143,227
Operating Margin	19.3%	15.2%			14.6%

Notes:

- A Restored Management Fees.
- B Allows ORS's Rate Case Expense with 3 year amortization.
- C Fall-out amounts impact Revenue Tax, Income Taxes, Bad Debt Expense and Working Capital rate base allowance.

APPENDIX E

Docket No. 2014-346-WS

Schedule A-5
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Daufuskie Island Utility Company, Inc. Revenue Impact Analysis Test Year Revenue - Existing Rates

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WATER						
Customer	Classification	Consumption	Usage Charge	Units	Base Charge	Revenue
Haig Point-Residential	3/4" Meter			1,061	\$62.09	\$65,877
	0 to 22,500 gals.	8,360,179	\$2.76			\$23,074
	Over 22,500 gals.	3,192,728	\$2.76			\$8,812
Haig Point-Irrigation				727		
	0 to 18,000 gals.	8,367,838	\$2.76			\$23,095
	18,001 to 60,000 gals.	9,829,270	\$3.09			\$30,372
	Over 60,000 gals.	10,049,342	\$3.50			\$35,173
Melrose-Residential	3/4" Meter			452	\$80.72	\$36,485
	0 to 22,500 gals.	4,105,940	\$0.00			\$0
	Over 22,500 gals.	2,177,808	\$2.44			\$5,314
Melrose-Irrigation				100		
	0 to 18,000 gals.	1,368,330	\$1.66			\$2,271
	18,001 to 60,000 gals.	2,002,230	\$1.66			\$3,324
	Over 60,000 gals.	2,986,298	\$1.66			\$4,957
Haig Point-Commercial	Metered			106	\$86.93	\$9,215
	0 to 22,500 gals.	2,413,190	\$2.76			\$6,660
	Over 22,500 gals.	2,132,690	\$2.76			\$5,886
Melrose-Commercial	Metered			329	\$136.60	\$44,941
	0 to 22,500 gals.	1,752,659	\$0.00			\$0
	Over 22,500 gals.	2,544,703	\$2.44			\$6,209
Water Service Total		61,283,205		2,775		\$311,667
SEWER						
Customer	Classification	Consumption	Usage Charge	Units	Base Charge	Revenue
Haig Point-Residential	3/4" Meter			1,061	\$110.38	\$117,113
	0 to 22,500 gals.	8,360,179	\$1.32			\$11,035
	Over 22,500 gals.	3,192,728	\$1.32			\$4,214
Melrose-Residential	3/4" Meter			448	\$80.72	\$36,163
	0 to 22,500 gals.	3,926,008	\$0.00			\$0
	Over 22,500 gals.	2,296,390	\$1.77			\$4,065
Haig Point-Commercial	Metered			102	\$178.21	\$18,177
	0 to 22,500 gals.	2,362,530	\$1.32			\$3,119
	Over 22,500 gals.	2,132,690	\$1.32			\$2,815
Melrose-Commercial	Metered			329	\$136.60	\$44,941
	0 to 22,500 gals.	1,559,487	\$0.00			\$0
	Over 22,500 gals.	2,436,565	\$1.77			\$4,313
Water Service Total		26,266,577		1,940		\$245,955
REVENUE SUMMARY:						
Total Residential Water and Sewer Service Revenues						\$312,153
Total Commercial Water and Sewer Service Revenues						\$146,277
Total Irrigation Service Revenues						\$99,193
Total Water and Sewer Service Revenues						\$557,623
Availability Billing-Water	Haig Point			1,917	\$31.04	\$59,504
	Melrose			1,617	\$76.36	\$123,474
	Bloody Point			368	\$76.36	\$28,100
Availability Billing-Sewer	Haig Point			1,917	\$55.19	\$105,799
	Melrose			1,617	\$85.08	\$137,574
	Bloody Point			368	\$85.08	\$31,309
Total Water and Sewer Availability Revenues						\$485,761
Misc. Other Revenue	Other					
	Return Check Fees					
	Late Fees-Metered Sales					
	Late Fees-Availability					
Total Misc. Other Revenue						\$30,197
Total Operating Revenue						\$1,073,581

APPENDIX E

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Daufuskie Island Utility Company, Inc. Revenue Impact Analysis Test Year Revenue - Proposed Rates

WATER								
Customer	Classification	Consumption	Usage Charge	Units	Base Charge	Revenue	Increase Amt.	Increase %
Haig Point-Residential	3/4" Meter			1,061	\$140.09	\$148,635	\$82,758	125.6%
	0 to 22,500 gals.	8,360,179	\$4.01			\$33,524	\$10,450	45.3%
	Over 22,500 gals.	3,192,728	\$4.01			\$12,803	\$3,991	45.3%
Haig Point-Irrigation				727			\$0	N/A
	0 to 18,000 gals.	8,367,838	\$4.41			\$36,902	\$13,807	59.8%
	18,001 to 60,000 gals.	9,829,270	\$5.21			\$51,211	\$20,838	68.6%
	Over 60,000 gals.	10,049,342	\$6.02			\$60,497	\$25,324	72.0%
Melrose-Residential	3/4" Meter			452	\$140.09	\$63,321	\$26,835	73.6%
	0 to 22,500 gals.	4,105,940	\$4.01			\$16,465	\$16,465	N/A
	Over 22,500 gals.	2,177,808	\$4.01			\$8,733	\$3,419	64.3%
Melrose-Irrigation				100			\$0	N/A
	0 to 18,000 gals.	1,368,330	\$4.41			\$6,034	\$3,763	165.7%
	18,001 to 60,000 gals.	2,002,230	\$5.21			\$10,432	\$7,108	213.9%
	Over 60,000 gals.	2,986,298	\$6.02			\$17,978	\$13,020	262.7%
Haig Point-Commercial	Metered			106	\$196.12	\$20,789	\$11,574	125.6%
	0 to 22,500 gals.	2,413,190	\$4.01			\$9,677	\$3,016	45.3%
	Over 22,500 gals.	2,132,690	\$4.01			\$8,552	\$2,666	45.3%
Melrose-Commercial	Metered			329	\$196.12	\$64,523	\$19,582	43.6%
	0 to 22,500 gals.	1,752,659	\$4.01			\$7,028	\$7,028	N/A
	Over 22,500 gals.	2,544,703	\$4.01			\$10,204	\$3,995	64.3%
Water Service Total		61,283,205		2,775		\$587,308	\$275,641	88.4%
SEWER								
Customer	Classification	Consumption	Usage Charge	Units	Base Charge	Revenue	Increase Amt.	Increase %
Haig Point-Residential	3/4" Meter			1,061	\$201.65	\$213,951	\$96,837	82.7%
	0 to 22,500 gals.	8,360,179	\$2.14			\$17,891	\$6,855	62.1%
	Over 22,500 gals.	3,192,728	\$2.14			\$6,832	\$2,618	62.1%
Melrose-Residential	3/4" Meter			448	\$201.65	\$90,339	\$54,177	149.8%
	0 to 22,500 gals.	3,926,008	\$2.14			\$8,402	\$8,402	N/A
	Over 22,500 gals.	2,296,390	\$2.14			\$4,914	\$850	20.9%
Haig Point-Commercial	Metered			102	\$282.31	\$28,796	\$10,618	58.4%
	0 to 22,500 gals.	2,362,530	\$2.14			\$5,056	\$1,937	62.1%
	Over 22,500 gals.	2,132,690	\$2.14			\$4,564	\$1,749	62.1%
Melrose-Commercial	Metered			329	\$282.31	\$92,880	\$47,939	106.7%
	0 to 22,500 gals.	1,559,487	\$2.14			\$3,337	\$3,337	N/A
	Over 22,500 gals.	2,436,565	\$2.14			\$5,214	\$902	20.9%
Water Service Total		26,266,577		1,940		\$482,176	\$236,221	96.0%
REVENUE SUMMARY:								
Total Residential Water and Sewer Service Revenues						\$625,810	\$313,657	100.5%
Total Commercial Water and Sewer Service Revenues						\$260,621	\$114,344	78.2%
Total Irrigation Service Revenues						\$183,053	\$83,860	84.5%
Total Water and Sewer Service Revenues						\$1,069,484	\$511,861	91.8%
Availability Billing-Water	Haig Point			1,917	\$100.86	\$193,349	\$133,845	224.9%
	Melrose			1,617	\$100.86	\$163,091	\$39,617	32.1%
	Bloody Point			368	\$100.86	\$37,116	\$9,016	32.1%
Availability Billing-Sewer	Haig Point			1,917	\$130.07	\$249,344	\$143,545	135.7%
	Melrose			1,617	\$130.07	\$210,323	\$72,749	52.9%
	Bloody Point			368	\$130.07	\$47,866	\$16,556	52.9%
Total Water and Sewer Availability Revenues						\$901,089	\$415,328	85.5%
Total Misc. Other Revenue						\$58,146	\$27,949	92.6%
Total Operating Revenue						\$2,028,719	\$955,138	89.0%

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APPENDIX F

Daufuskie Island Utility Company (DIUC) Rate Hike



Daufuskie Island Utility Company (DIUC) Rate Hike

January 8, 2018

Dear Member

You may have received your quarterly DIUC water bill. Please be advised that DIUC has not complied with regulations set forth by the Public Service Commission (PSC) at the December 20, 2018 hearing regarding Haig Point's, Melrose's and Bloody Point's water rate hike. More specifically, DIUC should not have invoiced its customers until a formal Order and an approved Rate sheet are promulgated by PSC.

This being the case, the attorneys representing the three POAs involved, have asked us to **instruct members NOT to pay their water bills** until DIUC's unlawful actions have been addressed. Please note that this is a temporary payment boycott and that our attorneys expect to resolve billing issues before the 1/31/18 payment deadline.

A letter was filed with the Commission on Friday by the attorneys. The letter documents DIUC's actions and establishes our opposition to them.

We will update you before the end of January. In the meantime, I am available to answer your questions.

APPENDIX F

Thank you,

Doug Egly, CEO



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Our email address is:

comment@haigpoint.com